

To: Zane Belden[dzexploration@yahoo.com]
From: Doherty, Paul
Sent: Fri 8/28/2015 2:44:55 PM
Subject: RE: Hastert lease plans

very good

thanks

ped

From: Zane Belden [mailto:dzexploration@yahoo.com]
Sent: Friday, August 28, 2015 9:43 AM
To: Doherty, Paul
Subject: Re: Hastert lease plans

Paul,

I just got off the phone with Bill McCourry of Lone Star Consulting. They are going to come out next week and do all the field inspection and engineering for the plan. He says he thinks they can have the completed plan to us the following week. Once we receive the plan we are going to conduct all the training with our pumpers and make sure we have all the required plans and procedures in place. So, I'm hoping we can have the completed plan to you and everything in place the week after next.

I will keep you updated on our progress.

Thanks, Deke

D & Z Exploration, Inc. P.O. Box 159 St. Elmo, IL 62458 Office: (618)-829-3274 Fax: (618)-829-5510
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From: "Doherty, Paul" <Doherty.Paul@epa.gov>
To: Zane Belden <dzexploration@yahoo.com>
Sent: Friday, August 28, 2015 9:01 AM
Subject: RE: Hastert lease plans

Very good

thanks

ped

From: Zane Belden [<mailto:dzexploration@yahoo.com>]
Sent: Friday, August 28, 2015 8:32 AM
To: Doherty, Paul
Subject: Re: Hastert lease plans

Paul,

We are planning to have the consultant work off of the plan we started on. We also plan to follow through with all the training, inspections and operations called for.

We are going to have SPCC plans for all of our leases including Cartwright and Morgan.

Deke

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From: "Doherty, Paul" <Doherty.Paul@epa.gov>
To: Zane Belden <dzexploration@yahoo.com>
Sent: Friday, August 28, 2015 7:07 AM
Subject: RE: Hastert lease plans

Deke:

OK. Some consultants will want to use their own format for the plan since its something they are used to. I'd recommend you work with what you've started. It's a good starting point and it covers all the requirements. The important thing is that you insert site specific information and operating practices where it calls for it. Once completed, it's also important to follow through, implement and document the training, inspection, operations and maintenance practices that the plan describes. Keep in mind that I plan to inspect both the Cartwright and Morgan leases sometime next year and reviewing documentation is an part of the inspection.

Thanks

ped

From: Zane Belden [<mailto:dzexploration@yahoo.com>]
Sent: Thursday, August 27, 2015 5:45 PM
To: Doherty, Paul
Subject: Re: Hastert lease plans

Paul,

Thank you for the comments. We talked to a neighboring operator today and found a PE/consulting company that has designed several SPPC plans in Eastern Kansas, Lone Star Consulting. Since they are familiar with eastern Kansas operations and have experience putting together SPCC plans in our area, we are going to work with them rather than just try and do it ourselves. We will let them know that we need to get these plans together asap and let you know as soon as it is completed.

Thanks, Deke

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From: "Doherty, Paul" <Doherty.Paul@epa.gov>
To: Zane Belden <dzexploration@yahoo.com>
Cc: "Aaron, Mark" <aaron.mark@epa.gov>
Sent: Thursday, August 27, 2015 1:29 PM
Subject: RE: Hastert lease plans

Deke:

Preliminary Review comments:

- The plan is based on the model plan provided and is a good beginning but it's incomplete as it presently stands. It needs to be completed with site specific info, reviewed and certified by a licensed PE. The plan also needs a Contingency Plan. Various certification and approval statements needs actual signatures.
- Various place in the plan state that there are either 2 or 3 brine water tanks. The discrepancy should be corrected.
- Some section reference a Contingency Plan that is not included in the plan. (Section 3.2.3 and Appendix I)
- The plan states the berm height is 1.5 feet in height. You need to check the accuracy of the

statement and the calculations and base it on actual field conditions or augment the berms to reflect what is described in the plan. Based on field observations there did not appear to be a consistent 1.5 ft dike around the containment area.

- Please send in completed forms included as Appendix C, D, and E to document the inspection, testing and training procedures described in the plan are being implemented.
- EPA's 24/7 Spill Reporting number is 913-281-0991.
- o p.s. Bob Dye works in the regional radiation program?
- The NRC 24/7 Spill Reporting number is 800-424-8802
- re: Appendix H: Discharge is not to Big Bear Creek. Please correct.

I plan to complete my inspections reports for both Hastert Leases based on what I have in hand. The sooner you can complete the plans and can produce the required documentation the better off you will be.

Thanks

ped

From: Zane Belden [<mailto:dzexploration@yahoo.com>]
Sent: Wednesday, August 26, 2015 8:11 AM
To: Doherty, Paul
Subject: Re: Hastert lease plans

Paul,

See attached.

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From: "Doherty, Paul" <Doherty.Paul@epa.gov>
To: Zane Belden <dzexploration@yahoo.com>
Sent: Wednesday, August 26, 2015 7:39 AM
Subject: RE: Hastert lease plans

p.s. SPCC plan not attached

ped

From: Zane Belden [<mailto:dzexploration@yahoo.com>]
Sent: Monday, August 24, 2015 2:28 PM
To: Doherty, Paul
Subject: Re: Hastert lease plans

Paul,

I hope all is well. Please see attached draft SPCC plan. We created this using the template example SPCC that you sent us. Please let us know if you think anything should be edited or adjusted in the plan.

An inspection this week would work fine. I can be there wednesday morning if that works for you?

Thanks, Deke

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From: "Doherty, Paul" <Doherty.Paul@epa.gov>
To: DekeZane <dzexploration@yahoo.com>
Sent: Monday, August 24, 2015 11:31 AM
Subject: RE: Hastert lease plans

what's the status of the SPCC plan(s)? I'd like to schedule an inspection this week. Let me know.

thanks

ped

From: Doherty, Paul
Sent: Tuesday, June 30, 2015 11:23 AM
To: 'DekeZane'
Subject: RE: Hastert lease plans

Thanks

please keep me posted.

ped

From: DekeZane [<mailto:dzexploration@yahoo.com>]
Sent: Tuesday, June 30, 2015 10:08 AM
To: Doherty, Paul
Subject: Re: Hastert lease plans

Mr. Doherty

Thanks for the explanation. We will get to work on finding a licensed petroleum engineer, and completing the written plan. I'll keep you posted on that progress and our progress out in the field.

Deke Belden

On Jun 30, 2015, at 7:07 AM, Doherty, Paul <Doherty.Paul@epa.gov> wrote:

Deke:

Responding to your email:

- Am I correct in that we only need to send you a completed SPCC plan, like the example you sent, and no further documentation is necessary?

O Correct but when I conduct the inspection I will ask to look at training records, inspection records, and tank and pipeline inspection records if applicable. Since you've owned these leases since April, there should be documentation available and if there is not, you need to be aware of what is required and start generating the required documentation.

- One question I have is this: we will need to find a petroleum engineer, as my father is a petroleum engineer but has not kept current with his licensing and does not have specific experience in completing EPA documentation, do you have a list of any PE's that you've worked with or that we could use?

O The plan needs to be certified by a licensed professional engineer.

O EPA can not give out a list of qualified firms that do SPCC plans but suitable firms can be readily identified through internet searches and through various industry trade groups.

- We seldom, almost never, need an outside petroleum engineer for hire in our operations. We are also a little fuzzy on the details because I am fairly certain that no

eastern Kansas oil producers have ever done SPCC plans, and to my knowledge there has been very little interaction between the EPA and small eastern Kansas oil producers, so this isn't a situation where I could just repeat what neighboring operators have done in the past, we are in some manner forging new ground, as the KCC seems to be the only regulatory authority that area operators have interacted with.

o **The SPCC rule has been on the books since 1973. The fact that you are in the business and are unfamiliar with the rule is not a good sign. Your assertion that “no eastern Kansas oil producers have ever done SPCC plans” is incorrect. While EPA’s resources preclude us from inspecting a lot of the oil production sites in the region, we are becoming more proactive in checking facilities out that have reported spills or have been the subject of complaints. Our experience is that the majority of leases have some form of an SPCC plan in place although the implementation of those plans is not often what it needs to be. We are working to improve that situation and the Hastert and Cartwright leases are part of that effort.**

- All that to say, our full efforts will certainly be put towards properly filling out the paperwork, but we may not be able to do so in a short time frame.

o **I’m not looking for a short time frame turnaround. I’m looking for a good faith effort to produce good SPCC plans that meet the requirements and will be fully implemented when completed.**

Thanks for the update.

ped

From: Zane Belden [<mailto:dzexploration@yahoo.com>]
Sent: Monday, June 29, 2015 3:49 PM
To: Doherty, Paul
Subject: Re: Hastert lease plans

Mr. Doherty,

I've been looking over the email attachments you sent us. Am I correct in that we only need to send you a completed SPCC plan, like the example you sent, and no further documentation is necessary? I wasn't sure if we had to have the checklist also? One question I have is this: we will need to find a petroleum engineer, as my father is a petroleum engineer but has not kept current with his licensing and does not have specific experience in completing EPA documentation, do you

have a list of any PE's that you've worked with or that we could use? We seldom, almost never, need an outside petroleum engineer for hire in our operations. We are also a little fuzzy on the details because I am fairly certain that no eastern Kansas oil producers have ever done SPCC plans, and to my knowledge there has been very little interaction between the EPA and small eastern Kansas oil producers, so this isn't a situation where I could just repeat what neighboring operators have done in the past, we are in some manner forging new ground, as the KCC seems to be the only regulatory authority that area operators have interacted with. All that to say, our full efforts will certainly be put towards properly filling out the paperwork, but we may not be able to do so in a short time frame.

Also, so you are still in the loop, KCC officials are scheduled to be on site once or twice this week and next week down in Anderson county to monitor our progress, and let us know what other specific actions/methods must be done to satisfy the KCC.

Deke

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From: "Doherty, Paul" <Doherty.Paul@epa.gov>
To: Zane Belden <dzexploration@yahoo.com>
Sent: Friday, June 26, 2015 7:55 PM

Subject: RE: Hastert lease plans

Deke:

Sorry for the delay in getting back to you.

I'm forwarding you the information I promised you.

Attached is an example SPCC plan for an oil lease site for you to review so you have an idea of what is required.

A couple of fact sheets for Tier I and Tier II facilities for your info. The Hastert leases do not qualify but I told you I'd send some info explaining what the Tiers refer to.

The last file is the checklist EPA will complete when we review the plan(s) and conduct the onsite inspection. This is provided so you can check your plan before sending it in and be sure it adequately addresses the required plan elements.

You will be receiving a Notice of Federal Interest letter, informing you that EPA is prepared to take action to address the releases at the Hastert Lease(s) if D&Z Exploration fails to follow through with performing the work outlined by the KCC.

Any questions let me know.

ped

From: Zane Belden [<mailto:dzexploration@yahoo.com>]
Sent: Thursday, June 18, 2015 12:21 PM
To: Doherty, Paul
Subject: Hastert lease plans

Mr. Doherty,

This is Deke Belden with D&Z Exploration, we just spoke about our plans for the Hastert Leases in Anderson County, KS. We purchased and took over management of the properties on April 1, 2015. Shortly after that we met with the landowner, Nathan Lange, and officials from the KCC to address the spill/mess concerns left over from the previous operator and containment. We told Nathan and KCC that we would stop the discharges that had been occurring under the previous owner/operator, and since then we have done that. There are still exiting mess areas from past leaks, but as weather has permitted (it has been an unseasonably wet period since we took the properties over) we have been continuing to clean up messes. We are addressing the issue of containment by building new and adequate earth berms around both Hastert Batteries and the Cartwright tank battery. That work should be completed by tomorrow or early next week. We are finishing SPCC paperwork for the newly acquired properties and should have them available for you next week. Per our discussion, I am meeting with KCC officials and Nathan next week to regroup, reassess and plan, in regards to what we have done so far, and what we will be doing in the near future to address all concerns. I will notify you when that meeting is so that you can be present as well. After I have met once again with the KCC and Nathan, I will email you a summary of that meeting so you are also aware of the current status and the specific plans moving forward. In the meantime or thereafter, please contact me with any new information or guidance that could help this situation. Thank you for the call, it was productive, and I will be in contact with you moving forward.

Deke Belden

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